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SUBJECT: PROMOTING GREATER TRANSATLANTIC COOPERATION: EUR

PDAS VOLKER'S DISCUSSIONS WITH ITALIAN MFA OFFICIALS

REF: A. ROME 3011

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Classified By: DCM Anna Borg, for Reasons 1.4 (b) and (d)

- (C) Summary. EUR PDAS Volker discussed BMENA, Iraq, Iran, Turkey's accession to the EU, and the Balkans with senior Italian MFA officials during his September 6 stopover in Rome. Greater transatlantic cooperation, especially in dealing with challenges outside of Europe, provided the backdrop for the discussions. The MFA expressed concerns about upcoming changes to the U.S. visa waiver program. End summary.
- 12. (SBU) EUR PDAS Volker visited Rome September 6 as part of U.S. efforts to secure greater EU cooperation for BMENA. Volker's meetings with Senior Advisors to PM Berlusconi Defmin Martino and local press and think tank representatives will be reported septel. Political Director Giulio Terzi Mosted the MFA discussions, accompanied by DG for the Americas Claudio Bisogniero; DG for the Mediterranean and Middle East Riccardo Sessa; Iraq Task Force Director Luigi Maccotta; DG for Europe Giovanni Caracciolo; Vice DG for European Integration Carlo Mario Oliva; G-8 Office Director Giampaolo Cantini; Non-Proliferation Office Director Felippo Formica; and Balkans Office Director Raimondo de Cardona. The U.S. participants included DCM, Labor Counselor, and PolOff.

Transatlantic Cooperation: Italy at the Forefront

- 13. (C) Bisogniero said the Italians view Volker's visit within the framework of efforts to relaunch the transatlantic relationship, noting that this was a key focus of Italy's EU Presidency in 2003 following disagreements over the war in Iraq. Volker said the purpose of his trip was to explore ways we can work together to held advance freedom and democracy in Europe and beyond. The U.S. and Europe share a common will, Volker said, and we should view institutions like the EU and NATO as tools for cooperation rather than rivals. As part of this effort, Secretary Rice will host a "transatlantic" luncheon at UNGA. (Note. Both Terzi and Sessa will accompany FM Fini to the UNGA. End note.)
- $\underline{\ }$ 4. (C) Terzi "subscribed entirely" to this target-oriented approach, focusing on the content of the transatlantic relationship rather than institutions. Italy, he said, front-runner in this effort and sees great merit in using the relationship and the various tools available (also including the OSCE, UN, etc.) to address issues like WMD, terrorism, civil emergency planning, and other crises where shared values are involved. He cited Darfur as a good precedent, in terms of sharing assets and coordinating command and communication structures, but said we need to improve the Berlin Plus formula to expand and improve cooperation between NATO and the EU. Terzi said we do not necessarily need a formal NATO/EU Council, and that the Secretary's informal lunch is a good approach.

Bumps Ahead Over Visa Waiver Program

15. (C) Bisogniero highlighted what the italians view as major problem on the horizon" -- the requirement for all (C) Bisogniero highlighted what the Italians view as a visa waiver program passports issued as of October 26, 2005 to have a digitized photo. Italy is working on developing biometric passports in preparation for the October 2006 deadline, which it expects to meet well in advance, but will not be able to meet the digitized photo requirement by the October 2005 deadline. Bisogniero said it would send a very damning public message if Italy is the only European country "singled out" by the new U.S. requirement and asked the U.S. to help find a solution. Volker explained that the requirements are not aimed at singling out the Italians, but are instead the result of a difficult compromise with Congress on an issue of security for people arriving at U.S.

(Note. See reftels for Ambassador and DCM's further borders. discussions on the subject with senior officials and the MFA. End note.)

- 16. (C) Sessa said that if there is one area where relaunching the transatlantic relationship can and should work, it's the Broader Middle East. However, he stressed the need for a clear vision of the problems involved, of what the Europeans have already done, of the expertise and approach they bring to the table, and of our room for maneuver. Volker responded that the U.S. is committed to working on this. Our policy has evolved from the war on terrorism in a narrow sense to the promotion of freedom and democracy in a very broad sense. U.S. and European policy appears to have very similar objectives. The U.S. is supportive of the EU's Barcelona Process, he said, but we need to work on these problems together, not just in distinctly separate processes. Volker said the Forum for the Future has been successful, not in creating overnight change, but as a forum for dialogue. To help it stand alone, with less reliance on the G-8, the U.S. is proposing a Foundation for the Future and Fund for the Future to support the promotion of democracy and small business development.
- Sessa fully agreed on the need for closer cooperation ¶7. (C) between BMENA and the Barcelona Process, but said it would be "easier said than done." The two share the same goals, he said, but they are two different exercises and cannot be merged, and we should avoid overlap. For one, the Barcelona Process, involving only the EU's Mediterranean neighbors, has a more limited geographic framework. Sessa also highlighted the concept of "ownership" as being at the center of the Barcelona Process, noting that Italy had been the first to stress the importance of ownership for BMENA as well. It supports the establishment of the Foundation and Fund in Italy principle, he said, but we need to find a way to make them work with existing EU institutions. Sessa said he had experts on his staff for both BMENA and the Barcelona process who could help promote better cooperation between the two initiatives. Volker pressed for Italian contributions to the Foundation and Fund. Sessa reiterated Italian support in principle and urged a meeting at expert level to iron out details. (Note. The individuals Sessa is referring to are Sergio Scarantino, the new BMENA POC replacing Stefano Jedrkiewicz who is currently doing a sabbatical at Cornell University in New York, and Antonella Uneddu from the Office of Regional Cooperation, responsible for the Barcelona Process).

Iran: "Shadows and Light"

- 18. (C) Terzi next raised Iran, noting the September 1-2 discussions of EU foreign ministers and the August 31 EU-3 conference call with U/S Burns. Italy is annoyed that Tehran is questioning the EU-3 format and trying to portray Italy as a friendlier interlocutor in an effort to create splits among EU countries, he said. Rome supports the EU-3 led negotiations, he continued, but is not happy with the way the EU is being represented. The EU has ways to formulate foreign policy, whereas the EU-3 is an "innovation" with no clear mandate. That is a trend Italy does not want to see continue.
- 19. (C) El Baradei's assessment risks creating a "blurred" situation, Terzi said; if there continue to be "shadow and lights" regarding Iran's noncompliance, it will be difficult to get a clear BOG decision. Furthermore, referring the issue to the UN could have negative implications for Iran's attitude, and raises the problem of EU representation. The real question remains Iran's "legitimate" right to pursue nuclear energy under the NPT. Volker said Iran does not have a "legitimate right" but instead an obligation to explain its IAEA derogations, and
- abandon all efforts at enrichment, conversion, and reprocessing. We need more open and timely discussions among not only the negotiators, Terzi said, but also other players, especially those with economic sway.
- 110. (C) Sessa put the Iran question in a broader context, asking what the long-term U.S. vision is, and how Washington expects to get Iran to play a positive role in regional stability. The U.S. is the only country that can solve the Iranian problem, he argued, since what the Iranian regime craves most is U.S. legitimization. We should use our carrots and sticks wisely, and use more "fantasy" in terms of carrots.
- 111. (C) PDAS Volker agreed that, while the nuclear issue is the immediate problem, it is part of a bigger issue. The ultimate goal is a change of regime, in the sense of promoting a regime that respects human rights and that is free from corruption and the undemocratic influence of the mullahs. By working together, the U.S. and EU can push Iran in the right direction; in the meantime, he emphasized, we

need to stay focused on the nuclear issue, making it clear to Tehran that the bottom line is no uranium enrichment, conversion or reprocessing. Volker also stressed the need for U.S. and EU cohesion in terms of the incentives offered so that Iran does not play one against the other.

112. (C) Comment. Claiming a deep understanding of the Middle East, Italian MFA officials pride themselves on Italy's role as a bridge between the U.S. and countries like Iran. Sessa, who was Italy's Ambassador to Iran prior to becoming DG for the Middle East, has frequently told us that he is a "friend" of the Iranians and that the U.S. should take advantage of this relationship to get its message across. He maintains, however, that he takes a tough stance with his Iranian counterparts, so much so that they reportedly call him "The American." Italy, always sensitive to any forum that relegates it to the status of a "second-class" European country, resents being excluded from the EU-3. Our MFA contacts are quick to tell us, however, that they consult regularly with their EU counterparts on the Iran issue. End comment.

Iraq: Inclusiveness and Unity

- 113. (C) PDAS Volker noted the importance of public perceptions about Iraq, but stressed that the strategy of the last six to eight months is working. All parties are committed to and engaged in the political process and the country is not fragmenting as many predicted, he said. Furthermore, the constitution and upcoming referendum are important benchmarks that, despite legitimate criticisms, keep people in the process and help demonstrate progress. On the security strategy, Volker said that training is the best way forward. Rather than talking about timelines for withdrawal, he said we should talk about strategies and reconstruction efforts.
- 114. (C) Sessa agreed on the importance of praising the Iraqis publicly, but said privately we need to be tougher by pushing the Kurds and Shia to be more flexible and the Sunnis to participate in the process. There are still many unresolved issues, but we should focus on the fulfillment of political conditions rather than specific dates, he argued. To do this, we need to find a way to create a more inclusive process. He suggested that the UN could play a bigger role, especially in the political process, to help overcome the perception that multinational forces are still in charge. Sessa agreed that security is the top priority.
- 115. (C) The MFA's Iraq Task Force Director, Luigi Maccotta, stressed two points, inclusiveness and unity. Inclusiveness is the only way to make progress and to ensure that the timetables are not "hollow victories." He argued for flexibility, saying we should adjust our strategy for the political process if it is not completed by December, as

envisioned in UNSC 1546. Secondly, we must preserve the unity of the country to avoid disintegration, which would have negative implications for the rest of the region.

116. (C) Terzi, noting that Italy is providing three of the four training modules for the NATO Training Mission in Iraq (NTM-I) in Ar-Rustamiyah, reiterated Italy's call for better force protection for NTM-I. He expressed Italy's hope that the upcoming force generation conference would lead to more countries' participation (in addition to Hungary).

Turkey: Italy Agrees with U.S. on Accession Talks

117. (C) De Oliva led the discussion on Turkey, stressing that Italy believes Turkey has fulfilled the criteria needed to start EU accession negotiations. De Oliva said the EU currently is trying to define the negotiating framework by October 3, but that some countries want to include language that effectively sets preconditions for the talks to begin. Terzi said Italy is working bilaterally with Turkey, but asked the U.S. also to encourage Ankara to be more helpful. Volker agreed with the importance of sticking to the October 3 date and getting the process started without preconditions.

Balkans: Seeing Eye to Eye

118. (C) Turning to the Balkans, Terzi started off the discussion by asking where we want to go in Bosnia in terms of empowering the government (and decreasing the role of the international community) to avoid creating a negative experience for the Kosovars and others. De Cardona said that the EU is waiting for the results of Kai Eide's report, expected by mid-September, but that all the Contact Group members are "in tune" on the way forward. De Cardona said we need to trigger the process on status, though there needs to be more progress on the ground in terms of returnees. All in

all, though, he said the dynamics are beginning to prevail. Volker, noted that one hopes to use the upcoming 10th anniversary of the Dayton Peace Accords to press for progress on constitutional reforms in Balkans. On Kosovo we want to make progress on status in the coming year. If we can solve Kosovo in terms of status, make progress on Macedonia and Albania, and keep Serbia and Croatia on a separate but positive track, we can continue to unravel the problems in the region. However, we still need to keep up the pressure on PIFWCs.

 $\underline{\P}$ 19. (U) PDAS Volker has cleared this cable. SPOGLI

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